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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/814,954	03/31/2004	Edward J. Coad	14846-24	7234

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EXAMINER

CHENCINSKI, SIEGFRIED E

ART UNIT

PAPER NUMBER

3691

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DELIVERY MODE

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/814,954

**Applicant(s)**

COAD ET AL.

**Examiner**

SIEGFRIED E. CHENCINSKI

**Art Unit**

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 31 March 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-11 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-946)
- 3) ☒ Information Disclosure Statement(s) (PTO/SF/ICE)  
Paper No(s)/Mail Date 11/28/05.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1. **Claims 1-11 are rejected** because the claimed invention is directed to non-statutory subject matter. Claims 1-11 recite a process comprising the steps of executing electronic funds transactions. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state, such as identifying a computer processor, system and storage medium.

Applicant is advised to satisfy the statutory requirements for the claims. Applicant is also advised not to add any new matter to the specification or the claims.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**2. Claims 1-11 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Reuter et al.(US PreGrant Publication 2003/012063 A1, hereafter Reuter) in view of Official Notice.

**Re. Claim 1**, Gutterman discloses "a broker workstation for managing orders in a market for trading commodities, securities, securities options, futures contracts and futures options and other items including: a device for selectively displaying order information; a computer for receiving the orders and for controlling the displaying device; and a device for entering the orders into the computer; wherein the displaying device comprises a device for displaying selected order information about each incoming order, a device for displaying a representation of an order deck and a device for displaying a total of market orders. In another aspect of the invention, there is provided in a workstation having a computer, a device for entering order information into the computer and a device for displaying the order information entered, a method for managing orders in a market for trading commodities, securities, securities options, futures contracts and futures options and the like comprising the steps of: selectively displaying order information incoming to the workstation; accepting or rejecting orders corresponding to the incoming order information displayed; displaying accepted order information in a representation of a broker deck; and selectively displaying a total of orders at the market price." (Abstract). Gutterman discloses manual trading execution through the open pit open outcry method (Col. 1, 32-37). Gutterman also discloses that firms which are members of exchanges are the intermediaries who bring trading orders to the exchange appropriate for executing the trade of a given security (Col. 1, 45-47). Gutterman also discloses an automated online method for a transaction interface for processing commodities and financial securities, futures contracts and futures options trading orders through a broker intermediary system (Col. 5, l. 59 – Col. 6. l. 15). As such, Gutterman discloses a method for providing a transaction interface to a plurality of exchanges, said plurality of exchanges comprising at least one automated exchange and at least one non-automated exchange, said method comprising:

- receiving a client order comprising one or more contracts (Col. 5, l. 64);

- selecting one of the plurality of exchanges for execution of the client order based on the one or more contracts in the order (Col. 1, ll. 45-47; Col. 6, ll. 6-9. For example, Merrill Lynch receives the order and decides which exchange to transact the order with based on the nature of the commodity order, such as shares listed on the NYSE (Col. 5, ll. 4-5) or another item being traded on the Chicago Board of Trade, perhaps a commodity futures contract);
- delivering the order to the selected exchange for execution (Fig. 3a);
- if the selected exchange is the at least one non-automated exchange, monitoring said transaction in order to take a further position in the order's contracts, if necessary (Col. 6, ll. 58-60).

Gutterman does not explicitly disclose "if the selected exchange is the at least one automated exchange, further processing said order to protect a position. However, the examiner takes Official Notice that protecting a position was well known at the time of Applicant's invention. Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosure of Gutterman with Official Notice in order to have developed a method for providing a transaction interface to a plurality of exchanges, motivated by a desire to computer-based techniques for managing orders placed in a physical market for trading instruments such as stocks, bonds, stock options, futures options and futures contracts on commodities including agricultural products, financial instruments, stock market indices and the like (Gutterman, Col. 1, ll. 6-11).

The following claims are obvious in Gutterman:

Claim 3, selecting the at least one automated exchange if the order can be executed on the at least one automated exchange.

Claim 6. creating an instrument evidencing the transaction.

Claim 7. providing a monitoring system to monitor the status of the order.

Claim 8. updating the monitoring system as each step occurs.

Claim 10. recording the execution of each step of the transaction.

Claim 11. A method in accordance with claim 1 further including the step of: recording

the execution of each step of the transaction in a database.

The examiner takes Official Notice that the following claim limitations were well known at the time of Applicant's invention:

Claim 2. a national best bid/offer price for the contracts

Claim 4. placing a facilitation order on the at least one automated exchange if an order is placed for more than a predetermined number of contracts.

Claim 5. A method in accordance with claim 4 further including the step of placing a contra order against the order on the at least one automated exchange.

Claim 9. automatically hedging an order.

### ***Conclusion***

3. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Alexander Kalinowski, can be reached on (571) 272-6771.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

Art Unit: 3691

***Commissioner of Patents and Trademarks, Washington D.C. 20231***

or Faxed to (571) 273-8300 [Official communications; including After Final communications labeled "Box AF"]

or Faxed to (571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

June 16, 2008

/Narayanswamy Subramanian/

Primary Examiner, Art Unit 3691